

MYSORE ACCOUNT CODE.

VOLUME I.

INSTRUCTIONS TO OFFICERS GENERALLY IN DEALING WITH TREASURIES.

Introductory Notes.

The rules contained in Vol. I of this Code describe primarily the procedure which should be followed by Government servants in paying money into treasuries, in receiving such moneys and granting receipts for them and in withdrawing funds from the public account for expenditure. They describe also the financial rules of the Government pertaining to subjects dealt with in the Code and the rules pertaining to audit and accounts which should be followed by all officers dealing with the treasuries.

CHAPTER I.—GENERAL PRINCIPLES AND RULES.

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Receipt of Money.

1. All transactions to which any officer of Government in his official capacity is a party, must, without any reservation, be brought to account, and all moneys received should be paid in full without undue delay into a Government Treasury, to be credited to the appropriate account and made part of the general treasury balance. The appropriation of departmental receipts to departmental expenditure, except when specially authorised, is strictly prohibited.

This rule is relaxed—

(a) In regard to moneys received on account of the service of summons, diet money of witnesses, etc., in civil cases.

and (b) in cases covered by the rules in other authorised codes.

2. Departmental receipts may ordinarily be realised in legal tender coin or currency notes only. Government of India Currency Notes of the denominations of Re. 1, Rs. 2½, 5, 10, 50 and 100 which are designated universal currency notes, may be received by all Government Officers in payment of Government dues or in settlement of other transactions, irrespective of the circles from which the notes may have been issued ; but notes of higher denominations can be received only if they are of the Madras Circle. Currency notes, if any, of the denomination of Rs. 20 the issue of which was stopped should, if received, be treated by Government Officers like universal notes.

1. Care should be taken to see that the Currency Notes received are such that their value can be realized without any expenditure to the State in accordance with the rules prescribed by the Government of India in their Notification No. 3201, F., dated the 24th November 1921. Doubtful notes should on no account be accepted.

2. For the acceptance of cheques on banks see Article 6.

3. Officers of Government receiving money on behalf of Government must give the payer a receipt in Form 1.

4. No department may require that funds pertaining to it be kept apart from the general treasury balance, or be received for safe custody and kept out of account or be received at all except under ordinary rules.

1. If, for special reasons, Government direct the cash chest of any department, such as, Judicial and Public Works, to be lodged in the treasury for safe custody, a register shall be kept in the treasury, in which the receipt and return of the chests should be duly acknowledged. The key or keys of the chest must not be kept by the treasury. Such chests should be under proper lock and seal or otherwise properly secured by the officers concerned so that the responsibility of the treasury is limited to the box or packet and does not extend to its contents ; and such chests should not be allowed at any one time to remain in charge of the treasury for a longer period than three months. When they are so allowed to remain, the officers should be requested to withdraw them, and if they fail to do so, the matter should be reported to Government. (*G. O. No. 6193-202—R. F. 185-92, dated 31st October 1892.*)

2. Chests or boxes containing valuable properties and securities belonging to wards may be deposited under the orders of the Court in the Government treasuries for safe custody till the wards come of age or till the Court orders their withdrawal. The chests or boxes required to be deposited at Bangalore may be kept with the Bank of Mysore and in other places, Government Treasuries will accept the deposit on payment of a fee of one rupee a month for each chest or box. (*G. O. No. Fl. 6352-3—G. F. 99-18-4, dated 27th May 1919.*)

3. Bullion, jewellery and other valuables coming into the hands of a Government officer in his official capacity may be received for safe custody at the discretion of the Deputy Commissioner, Treasury Department.

4. In case of money arriving from a distance too late in the day for examination, it may be kept in sealed bags under double locks but only until the following day, the fact being recorded in the register mentioned above.

5. Detailed rules regarding the receipt of departmental cash chests, etc., in the treasury for safe custody and the registers to be maintained in this connection are given in Appendix I.

5. Any person paying money into a Government Treasury will present with it a memorandum (challan) in duplicate (Form 2) which will show distinctly the nature of the payment, the person or officer on whose account it is made and the head of account in the Treasury accounts to which the amount has to be credited, and will thus contain all the information necessary for the preparation of the receipt to be given in exchange. Receipts for sums less than Rs. 500 do not require the signature of the Treasury Officer, but only of the Accountant and the Treasurer, except receipts for money paid for service stamps, which should always be signed by the Treasury Officer.

1. Challan forms printed in both Kannada and English should be supplied by the Treasury. One copy will be returned to the tenderer duly signed as a receipt, and the other retained in the treasury for record.

2. Duplicate chalans are not required when remittances are made to a treasury for obtaining Remittance Transfer Receipts; or when such remittances are accompanied by Remittance or Pass Books in which the Treasury Officer is required to acknowledge receipt of the remittance.

Exception.—Duplicate challans may however be received in the treasury in cases of amounts tendered by the Agricultural Department.

3. Special challan forms prescribed for particular receipts, such as, Land Revenue, Income-tax, Agricultural receipts, Land Improvement Loans, Excise Revenue and Savings Bank Deposits, should be used when such sums are credited.

4. Receipts should bear the name of the treasury and be stamped with the treasury stamp (seal). It should distinctly show the date of issue, the designation of the officer granting it and the head of account to which the amount was credited.

5. Receipts given by a Taluk Treasury should be signed by the Shroff, the Nagadi Gumasta and the Sheristadar or the Amildar.

6. In the case of remittance, by Money Orders, of fees levied in schools situated at a distance from the Treasury, the Money Order coupon, which contains full details of remittances, will be the challan in support of the credit and a separate challan is not necessary.

6. Cheques on banks which the Bank of Mysore, Bangalore, and the Imperial Bank of India, Bangalore, will accept, will be accepted in payment of Government dues, or in settlement of other transactions. As however, Government cannot admit that payment has been received until the cheques are cleared, final receipts will not be granted when cheques are tendered in lieu of cash. A receipt

for the actual cheque only will be given in the first instance, but if the person making payment in this manner so desires, a formal payment receipt will be sent by post to his address after the cheque has been cleared.

1. The Bank of Mysore will accept and clear at par only cheques drawn upon it and its branches, and the Imperial Bank of India, Bangalore, the cheques drawn on the following Banks :—

- (1) The Imperial Bank of India, Madras.
- (2) Do do Bangalore.
- (3) The National Bank of India, Ltd., Madras.
- (4) The Chartered Bank of India, Australia and China, Madras.
- (5) The Mercantile Bank, Madras.
- (6) The Indian Bank, Madras.
- (7) The Tata Industrial Bank, Madras.
- (8) The Bangalore Bank, Ltd., Bangalore.
- (9) Sowcars in Bangalore.
- (10) Bangalore City and Central Co-operative Banks.

2. Cheques on the Imperial Bank of India, Bombay, and other recognised Banks may, however, under exceptional circumstances, be accepted on the responsibility of the officer receiving them, but credit in Government accounts will be afforded for the net amount realised after deducting the cost of remittance to Bombay in the case of the former and the discount that may be charged by the local Banks in the case of the latter.

3. In the event of such a cheque being dishonoured by the bank on which it is drawn on presentation, the fact will be intimated as soon as possible to the tenderer, but Government cannot accept any liability for loss or damage which may possibly occur as a result of delay in intimating that the cheque has been dishonoured. Cheques should, as far as possible, not therefore be accepted from persons whose cheques had been previously dishonoured.

4. When Government dues which have to be paid by certain fixed dates are paid by cheques, persons so making such payments should, to avoid the risk of its not being eventually accepted, take precautions to ensure that their cheques reach the treasury some days before the date on which the payment is to be made, so as to enable it to get the cheque cleared before the due date. Cheques received which cannot be realised on or before the last day of payment of Government dues are liable to be refused and those received later will not be accepted.

7. Cheques received by Government Officers as laid down in the preceding Article will be forwarded to the District Treasury to which they usually make remittances endorsed in favour of the officer in charge of the treasury accompanied by a Cha lan in Form 3.

In the challan all the particulars relating to the cheques sent should be filled in, by the remitting office.

The District Treasury Officer will acknowledge the receipt of the cheques and intimate the date of clearance and the amount credited to Government account, the charges incurred, if any, in clearing, and in case of any of the cheques having been dishonoured, particulars of such dishonoured cheques.

NOTE.—No cheques should be sent to the Comptroller direct for realisation. Cheques so sent are liable to be returned.

No. 1.

Page 5, Article 8.

Insert the words “**and annas**” between the words “**Pies**” and “**in**” in the Sectional heading.

After Article 8, insert the following as Article 8 A:—

“**8A.** In payments to be made to contractors for work done, supplies received, or services rendered, fractions of a rupee in the totals of bills amounting to Rs. 25 or more, will be rounded to the nearest rupee, *i.e.*, fractions of less than half a rupee will be disregarded, and half a rupee and over taken as a rupee. The totals of bills less than Rs. 25 will be rounded to the nearest anna only. In all agreements with contractors a specific condition as to rounding of payments as above may be inserted.

This applies to all departments of Government, and to all Local Bodies and Municipalities.”

(*G. O. No. Fl. 4683—G. F. 85-25-2, dated the 18th February 1926.*)

(*M. C. A. C., Vol. I, 2nd Edition, No. 1, dated the 23rd October 1926.*)

Elimination of pies in Government Accounts.

8. In respect of the transactions of Government, whether of receipt or of payment, pies should be omitted, as far as possible, the calculation of individual claims being made to the nearest anna (fractions below half an anna being omitted and half an anna and over being reckoned as one anna) and the following rules observed :—

(a) In the case of recoveries of amounts held under objection, care should be taken to see that the amounts are calculated to the nearest anna.

(b) As regards advances to be recovered in instalments, the instalment should be so fixed as to be always in annas, the difference if any, being adjusted in the last instalment to be recovered.

(c) In the case of receipt and repayment of deposits the same rule should be observed except in cases of repayment of old deposits which may include pies.

(d) In respect, however, of rates to be fixed at which payments are to be made either for services rendered or for supplies made, pies should not be omitted, though in the total amount payable to the parties, fractions of an anna will be omitted as prescribed above.

(e) The procedure of omitting pies will not, however, apply to the following cases :—

- (i) Demands realisable under any law or rules thereunder which definitely require calculations in pies, *e.g.*, Interest due to Government on arrears of Revenue, Recovery and Refund of Local, Railway and other cesses.
- (ii) Transactions relating to a fund head, *e.g.*, State Life Insurance, Local Funds, Muzrai Funds, *etc.*
- (iii) Payments falling due under any law or under contracts entered into before the introduction of this rule, *e.g.*, Interest payable on State Loan Bonds, Pensions fixed prior to the issue of this rule.
- (iv) Remuneration payable to Copyists and Examiners.

NOTE.—In the case of pies occurring in the Life Insurance and other deductions which are made from salary and other bills, there is no objection to the inclusion of pies in the net claim of the bill. (*G. O. No. Fl. 5301-64—G. F. 204-23-1, dated 26th March 1924 and Financial Secretary's endorsement No. Fl. 952, dated 15th August 1924 and Fl. 4480, dated 6th February 1925.*)

Check of Receipts.

9. It is ordinarily the duty of the Revenue Department concerned and not of the Account Department, to see that the dues

of Government are regularly paid into the treasury. Detailed rules are given in Chapter II.

Payment of Money.

10.†^A (a) A Treasury Officer has no general authority to deal with demands presented at the treasury, his authority to make payments being strictly limited to the rules in the Account Code. If a demand of any kind is presented at a treasury, which is not provided for by the rules in the Code, or is not covered by a special or general order received from the Account Office, the duty of the Treasury Officer is to decline payment for want of authority. A Treasury Officer has no authority to act under an order of Government sanctioning a special payment, unless it is an express order to *him* to make the payment; and even such special orders should, in the absence of urgency, be sent through the Comptroller.

NOTE.—This rule does not authorise the Treasury Officer to refuse payment of bills, which do not comply with the provisions of certain articles of this Code, requiring that sanctions to certain specified charges should be quoted on the bills, when the omission to comply with those provisions is due to the fact that the necessary sanction has not been obtained. The responsibility for incurring such unsanctioned charges rests with the drawing officer, and the Treasury Officer is not empowered to refuse the payment of such bills on the ground that the charges have not been sanctioned.

(b) Treasury Officers may pay on the authority of the signing or countersigning officers without any special instruction from the Comptroller, the following :—

- (1) Establishment bills in respect of all old establishments irrespective of any additions and alterations that may have occurred in such establishments ;

NOTE.—The Comptroller will not intimate to treasuries, changes in the scale of establishment, such as, additions or reductions nor will he issue instructions to the treasury for the payment of the above claims.

- (2) Contingent and travelling allowance bills of all old establishments ;
- (3) Bills for grants-in-aid or scholarships in the Educational Department signed or countersigned by the officers of the Educational Department ;
- (4) Advances sanctioned to Government officers, whether for their personal use or for public purposes, which are drawn on bills signed or countersigned by a gazetted officer to which the original sanctioning order is attached ;

NOTE.—When an advance is drawn in more than one instalment, it is enough if the number and date of the order, sanctioning the advance, already attached to the first bill, are quoted in the receipt on which second and subsequent

instalments are drawn. The Treasury Officer should see that such reference is given before paying such advances.

(5) Loans and advances to private persons granted under general rules, such as, Land Improvement or Takavi Loans when the original sanctioning order accompanies the bill.

(c) In the cases noted below, the treasuries will make payments only on the authority of intimation issued by the Comptroller,—

- (1) Special charges such as special advances, special loans, etc., sanctioned in favour of a private individual by Government or the head of a department.
- (2) Changes in the pay of gazetted and other officers who draw separate bills for their own salaries.
- (3) Establishment and contingent bills of newly opened offices.

11. (a) No claim against Government not preferred within six months of its becoming due can be paid without the sanction of the Comptroller.

NOTE 1.—This rule does not apply to payments on account of pensions, which are governed by special rules in the Mysore Service Regulations.

NOTE 2.—The period of six months referred to in this article, should be reckoned in the case of acting allowances, from the date of receipt of the order sanctioning the promotions, if that allowance is due for a past completed month or months, otherwise, from the following pay day; in the case of leave allowances, from the date of order granting the leave, and in other cases, from the date on which a claim became due to the date of its presentation at the treasury.

NOTE 3.—Claims of Government against Railways for overcharges and claims of Railways against Government for undercharges will be recognized and admitted, if the claims are preferred within six months :—

(i) In the case of cash payment—from the date of payment.

(ii) In the case of warrants and credit notes—from the date of presentation of a bill by the Railway administration. (*G. O. No. Fl. 7800—G. F. 212-17-5, dated 17th June 1918.*)

NOTE 4.—A claim for an amount of fine deducted from a pay bill by the head of an office and subsequently excused by him may, if it is preferred within six months, be paid without the sanction of the Comptroller, just as withheld pay claimed within six months of its becoming due.

NOTE 5.—A bill pre-audited or passed by the Comptroller and enfaced for payment at a treasury should not be paid, if it is presented at the treasury six months after the date of enfacement. The sanction of the Comptroller in such cases should be renewed.

(b) Claims of officers whether gazetted or not, to arrears of pay or allowances or to increments which have been allowed to remain in abeyance for a period exceeding one year cannot be

investigated by the Comptroller except under the special orders of Government.

NOTE 1.—The period of one year should be counted only from the date of sanction of increments, etc., by the proper authority.

NOTE 2.—When an order sanctioning investigation under the above clause is issued by Government in any Administrative Department, if necessary, after consultation with the Financial Department, the Comptroller will investigate the claim and pass it, if it can be verified from his audit registers. (*G. O. No. Fl. 7065-113—S. & A. 21-14-137, dated 26th May 1915.*)

NOTE 3.—Every officer authorised to entertain an appeal against the orders of subordinate officers imposing fines, has a right to order the refund of fines collected, provided the refund is made within two years of the imposition of the fine. In other cases, Government sanction is necessary for the refund. (*G. O. No. 7254-62—R.748, dated 21st October 1893.*)

NOTE 4.—The *potgi* allowance due for a year may be paid by Amildars within 12 months after it becomes due, without the sanction of the Deputy Commissioner and within 24 months, with the sanction of the Deputy Commissioner. Thus the *potgi* for 1923-24 may be paid before the end of 1924-25 without the sanction of the Deputy Commissioner or before the close of 1925-26 with the sanction of the Deputy Commissioner. If the allowances be not claimed within 1925-26, the sanction of Government must be obtained. (*G. O. No. 5444-53—Cir. 85, dated 24th June 1892.*)

NOTE 5.—Heads of Departments are authorised to sanction the investigation of arrear claims of all officers appointed by them. Cases of inordinate delay in passing arrear claims under this article will be brought to the notice of Government by the Comptroller.

(c) Delays in payment are opposed to all rules and are highly inconvenient and objectionable. The heads of offices and departments should distinctly understand that the personal claims of officers accruing under the orders of competent authority should be discharged with the least delay possible and that the provisions for entertainment of belated claims made in clause (a) and (b) above are intended for exceptional cases where from unavoidable causes the speedy settlement of claims is rendered impossible. Every case of deferred claim submitted for the sanction of the Comptroller under clause (a) and of Government or the Head of a Department under clause (b) should invariably be accompanied by a clear explanation of the necessity for postponing the settlement of the claim and where the postponement was avoidable, also by a report of the names of officers responsible for delay and of the action taken to prevent the recurrence of such cases.

(d) All sanctioning authorities should bear in mind the inadvisability and inconvenience of sanctioning claims with retrospective effect as it throws unnecessary burden on the Audit Office and leads to undeserved hardship on the officials concerned. In cases where increments are withheld as a punishment, retrospective effect should not ordinarily be given, as obviously it would

defeat the object first aimed at. (*G. O. No. R. 3362-409—L. R. 37-15-64, dated 20th September 1915.*)

(e) All increments, permanent or acting promotions and other arrangements involving alterations in the pay of an official should be sanctioned by the superior authorities with the greatest promptitude as soon as the occasion for the same arises. If any such arrangements are not sanctioned within the period of one year from the earliest date on which they could be ordered, they cannot be sanctioned afterwards except with the special sanction of Government which will be accorded only in exceptional cases and on satisfactory explanation being furnished for the delay. (*G. O. No. Fl. 4280-329-S. & A. 2-15-18, dated 3rd March 1916.*)

NOTE.—The Revenue Commissioner is empowered to sanction increments under this article. Cases of inordinate delay will be brought to the notice of Government by the Comptroller. (*G. O. No. R. 6030-81—L. R. 198-17-3, dated 18th November 1918.*)

(f) When old claims which cannot be verified from Government records are preferred, the Comptroller will return the papers to the party concerned with a remark to that effect. It will then be the duty of the claimant to submit the claim to Government with independent evidence of a conclusive nature. The Government are quite willing to consider and admit claims against them however old, provided the correctness of the claim can be satisfactorily established. (*G. O. No. Fl. 3778-823—S. & A. 12-11-59, dated 12th March 1912 and Financial Secretary's No. 3286, dated 29th November 1919.*)

(g) All bills, whether payable at Bangalore or elsewhere, submitted for Government sanction, are returned by Government with orders, to the office submitting them or to the payees as the case may be, and only copies of the orders sanctioning the bills are sent to the Audit Office. (*G. O. No. Fl. 2234-83—G. F. 15-17-4, dated 5th November 1917.*)

(h) No payment may be made on account of increases to pay until the additional expenditure thereby caused has been provided for in the estimates and duly sanctioned.

NOTE.—Periodical increments of pay are not provided for in the estimates and are not increases to pay within the meaning of the above clause.

12. The rules laid down in the previous Article do not apply to payments on account of Contingent charges (including supplies and services). The liabilities incurred on account of these charges should be discharged with the greatest promptitude. In the case of payments made out of permanent advance, the amount should be recouped at once as laid down in Articles 96 and 107 and in other cases, the liability discharged at the earliest possible date as provided

in Article 207 (b). In either case the liability should not be allowed to remain undischarged for over a period of two months nor should it be carried forward as a charge on the grant for the subsequent year. No such claim not preferred within three months of its becoming due can be paid without the sanction of the Comptroller. The delay should be explained to the Comptroller who, if he is not satisfied with the explanation offered, will not pass the claim except with the special sanction of Government. (*Financial Secretary's Letter No. Fl. 194 G. F. 130-24-2, dated 19th March 1925.*)

NOTE.—The claims for Travelling allowance to Non-officials for attending meetings will be dealt with under this Article. (*Financial Secretary's No. Fl. 2493 dated 5th November 1925.*)

13. Any person having a claim against Government will present his voucher duly receipted and, if necessary, bearing a stamp.

NOTE 1.—Officers receiving stamped documents should invariably see that all stamps affixed to such documents are promptly punched as failure to do so affords scope for fraud and is likely to lead to loss of revenue to Government. (*G. O. No. Fl. 3020-69—S. R. 30-17-2, dated 19th December 1917.*)

NOTE 2.—The disbursing and audit officers should see that receipts on account of partnership firms are signed by one of the partners for and on account of it, as any partner of a partnership firm may receive money on behalf of the firm and give valid receipts therefor. In cases where the Comptroller is unable to satisfy himself that the person giving a receipt is a partner of the firm, he may accept the certificate of the disbursing officer that payment was made to the best of his knowledge to the correct party in the case of obscure firms who have transactions once in a way. In the case of partnership firms having frequent transactions, they should be asked to deposit with the disburser before receiving the first payment, a declaration specifying the names of the partners and countersigned by the Government Registrar of Joint Stock Companies. As a rule, either the officer countersigning the bills or the Audit Officer should in every case satisfy himself that the person who has signed the bill has authority to do so and give a valid receipt. (*G. O. No. Fl. 7563-612—G. F. 237-17-1, dated 10th June 1918.*)

Stamped Receipts.

14. Receipts for all sums exceeding Rs. 20 must be stamped ; but the following are exempt :—

- (a) Receipts given by, or on behalf of Government.
- (b) Receipts on cheques sufficiently stamped or exempt from stamp duty.
- (c) Receipts for interest on Government securities.
- (d) Receipts for withdrawals from Government Savings Bank.

(e) Receipts granted by a Railway Company for freight and fares and for incidental charges, such as, loading, unloading, delivery, cranage, haulage, wharfage and demurrage.

(f) Receipts for pay and allowances of non-commissioned officers and men of His Highness the Maharaja's troops when serving in such capacity, or for their pensions.

(g) Receipts for any payment of money without consideration, such as receipts for grant-in-aid bills and for fees paid to Barristers-at-Law.

(h) Receipts granted by or on behalf of, the Mysore Palace.

(Govt. Notification No. Fl. 234—S. R. 4-05-3, dated 8th July 1905.)

(i) Receipts granted by or on behalf of any co-operative society, registered under the Mysore Co-operative Societies Regulation, VII of 1918, or by any officer or member of any such society and relating to the business of such society. (G. O. No. Fl. 5134—B. 35-05-23, dated 16th February 1906.)

(j) Receipts granted by Presidents of Municipalities to Government departments. (G. O. No. Fl. 294-302, dated 15th August 1902 and Notification No. 727, dated 6th November 1902.)

NOTE.—This exemption applies to receipts granted to Government departments only. Municipal Councils should conform to the provisions of the Stamp Regulation and pass stamped receipts in all cases where stamps should be used. (G. O. No. 8665-705—Ml. 445-09-4, dated 22nd April 1911.)

(k) Receipts of firms outside Mysore territory when stamped with British Indian stamps.

(l) Receipts granted by the Palace when acting on behalf of the Personal Estate Accounts of the members of the Ruling Family. (G. O. No. Fl. 4165—S. R. 15-09-2, dated 19th February 1910.)

15. All cheques irrespective of their amount are liable to stamp duty; but cheques drawn by Government officers on Government account, Remittance Transfer Receipts and Supply Bills are exempt from stamp duty as also cheques issued on Government treasuries by Presidents of Local Boards or Municipalities. (G. O. No. Fl. 2877-93—St. 19-25-1, dated 21st November 1925.)

16. The following documents do not come under any of the exemptions mentioned above, but are chargeable with stamp duty under the general rules:—

(a) Cheques or receipts other than the receipts mentioned in Article 14 (e) drawn by a Railway Company including a Company to which a State Railway has been leased.

NOTE.—This rule applies also to receipts drawn for claims, the adjustment of which is made through an Account current.

(b) Cheques or receipts drawn on account of Funds in cases other than those referred to in Articles 14 and 15.

(c) Receipts for advances taken by Government officers.

(d) „ for refund or payment of deposits.

(e) „ on acquittance rolls of establishment.

NOTE.—The acquittance roll being for the gross amount of pay, the liability for stamp duty is generally determined with reference to the gross amount of the claim. Stamped receipts should therefore be affixed to bills, the gross amount of which exceeds Rs. 20, even though the net amount after deducting Insurance premia or other sums due to Government, is Rs. 20 or less. (*G. O. No. 11802-3—Med. 264-05-2, dated 15th May 1906.*)

(f) Receipts drawn by the Comptroller on account of Charitable Trust Funds or Charitable Endowments in his custody.

17. (a) The mere fact that a document received in Mysore is executed outside Mysore does not by itself render it allowable to denote the duty thereon by a stamp of the country of execution. The substance or subject matter of the document has also to be considered. If it relates to property situate, or any matter or thing done or to be done in Mysore, then the duty must be denoted by a Mysore Stamp. (*G. O. No. Fl. 4960-5003—S. R. 108-05-2, dated 10th February 1906.*)

(b) Cheques drawn by persons in the Mysore State outside the Civil and Military Station, Bangalore, should bear a Mysore Stamp. (*Govt. Notification No. Fl. 1820—S. R. 36-11-3, dated 1st November 1911.*)

If cheques drawn by such persons bear a Civil and Military Station stamp, they should be treated as unstamped and as such should not be accepted in treasuries and by officers receiving money on behalf of Government. (*G. O. No. Fl. 4183-229—S. R. 62-17-5, dated 11th February 1918.*)

Preparation and Form of Vouchers.

18. The following general instructions regarding the preparation and form of vouchers should be observed :—

(a) Vouchers should, as far as possible, be in printed forms in English or Kannada. Where no special form is prescribed, Form 4 (payees' receipt) should be used.

(b) When the use of a voucher in any other language is unavoidable, a brief abstract should be endorsed in English or Kannada under the signature of the preferring officer stating the amount, the name of the payee and the nature of the payment.

(c) All vouchers must be filled in and signed in ink.

(d) The amount of each voucher should, as far as whole rupees are concerned, be always written in words as well as in figures. The amount of annas and pies may, however, be written in figures after the words stating the number of rupees ; but in case of there being no annas or pies, the word ' only,' should be inserted after the number of whole rupees and care should be taken to have no

No. 2.

Page 12, Article 18.

Insert the words “(black or blue black)” after the word ‘ink’ in Clause (c).

(G. O. No. G. 9402-58—G. M. 176-25-1, dated 22nd May 1926.)

(M. C. A. C., Vol. I, 2nd Edition, No. 2, dated the 23rd October 1926.)

space for interpolation, as in the following examples—"Rupees twenty-six only," "Rupees twenty-five, $\frac{4}{11}$."

(e) All corrections and alterations in the total of a voucher should be attested by the dated initials of the person signing the receipt, as many times, as such corrections and alterations are made; any in the orders of payment must be attested in the same way by the Treasury Officer. No document bearing an erasure can be accepted, and payment of such voucher should be refused by the Treasury Officer and a fresh voucher called for.

(f) Except when specifically ordered by the Comptroller otherwise, charges against *two major heads* should not be included in one voucher, but the Treasury Officer will not take exception to a voucher on this ground unless the items require different action from him, such as, entry in different registers. This order does not apply to the allowances of an officer, or of an establishment, as in such cases the whole of the allowances even, if belonging to two or more major heads of account should be drawn on a single bill, if they are chargeable wholly to the revenues of the State.

(g) Unless the Government has expressly authorised it in the case of any specified office, no payment may be made on a voucher or order signed by a clerk instead of by the head of an office although in the absence of the latter the clerk be in the habit of signing letters for him. Nor may any moneys be paid on a voucher or order signed with a stamp. When the signature on a voucher is given by a mark or seal or thumb impression, it should be attested by some known person. Signatures in vernacular other than Kannada must always be transliterated.

NOTE.—The head of an office may authorise any Gazetted Officer serving under him to sign bill, voucher or order for him communicating the name and the specimen signature of the officer to the treasury. This will not, however, relieve the head of the office, in any way, of his responsibility for accuracy of the bill or for the disposal of the money received in payment. (*Financial Secretary's letter No. Fl. 4850—G. F. 130-A—24-2, dated 26th February 1925.*)

(h) When any kind of bill is prepared in duplicate or triplicate, only one copy should be signed or countersigned in full, the other copy or copies being initialled.

(i) When the payee sends a messenger to receive payment of a voucher, the signature of the messenger or his thumb impression, if illiterate, should also be taken on the voucher as a proof of the messenger having actually received the money on behalf of the payee.

(j) Bills requiring *previous* countersignature or any certificates should be returned unpaid, if presented without such countersignature or certificates.

(k) When bills are presented on account of charges incurred under any special orders, the orders sanctioning the charge should be quoted. Copies of sanctions accompanying a bill must be duly certified by a responsible officer, not by a clerk.

(l) The authority under which deductions are made in a bill should be quoted.

(m) Dates of payment should when possible be noted by payees in their acknowledgments in sub-vouchers, acquittance rolls, etc. If for any reason, such as illiteracy or the presentation of receipts in anticipation of payment under Article 13, it is not possible for dates of payment to be noted by the payees, the dates of actual payment should be noted by disbursing officers on the documents under their initials, either separately for each payment or by groups as may be found convenient.

(n) In cases in which the endorsement on a bill is unauthorised, incomplete or otherwise irregular, the treasury officer should refuse payment of the bill and return it to the person with a memorandum explaining why payment is refused.

Doubtful Claims.

19. A Treasury Officer must not honour a claim which on the face of it is disputable; he will request the claimant to refer the question to the Comptroller.

Nor may he undertake correspondence for an officer making a claim to any special allowance but will request him to address the Comptroller either direct or through his own official superior.

20. It must be remembered that the Treasury Officer has to satisfy not only himself, but also the Account Department, that the claim is valid; and has further to prove that the payee has actually received the sum charged. Careful attention must therefore be given to the rules regarding the completion of vouchers referred to in Article 18. The Treasury Officer must have sufficient information as to the nature of every payment he is making and is without excuse if he accepts a voucher which does not formally record that information.

1. In the case of establishment bills, the Treasury Officer should see that the arithmetical computations are correct, that the drawer of the bill is an officer of Government who has been hitherto drawing such bills or that he has been specially authorised by the Comptroller to draw such bills and that it is countersigned by the proper officer, in cases where such countersignature is required under any rule or practice.

2. The Treasury Officer, before paying a bill of a gazetted officer, must see that the deductions, if any, on account of insurance, etc., and those required to be made by the Comptroller or other authority have been made.

3. Treasury Officers, when cashing bills for Officers at a distance from the treasury, should furnish a note explaining the amount of cash and transfer receipts, if any, issued and any deductions or alterations that may have been made in the bill presented. The note should be in bi-lingual form, as it is important that the guard or messenger who receives the money should ascertain that the amount stated agrees with the actual cash or transfer receipts delivered to him, and when that person is unable to read, the Treasury Officer should himself explain to him the amount entered on the note.

The following form is recommended :—

		Rs.	Rs.
Bill presented for salary, etc.	..	..	000
„ Contingencies	..	..	000
„ Sundries	..	..	000
		—	—
Total	..	..	000
Paid in cash	..	000	..
„ transfer receipts	..	000	..
		—	—
Total	..	000	..
* Deduction (if any)	..	..	..
		—	—

(Explanation *).

Signature of Messenger.....

Treasury Officer.

4. Any deductions made by the Treasury Officer reducing the net amount claimed on a bill should be explained in a memorandum signed by him to be given to the presenter.

Pre-audit of Bills at Bangalore.

21. All salary, establishment, travelling allowance, contingent and other bills payable at Bangalore are subject to pre-audit by the Comptroller to whom they should be sent.

1. In acknowledgment of their receipt, the Comptroller will issue *tokens* which should be carefully kept and surrendered when the amount of the bill will be passed for payment at the State Huzur Treasury either in cash or by issue of a cheque on Banks, as the case may be. Whenever payment by a cheque is desired, the bills should be receipted by the drawers with receipt stamps affixed wherever necessary.

2. If bills payable in cash are presented at the Account Office before 1 P.M., they will, as far as possible, be audited and passed for payment the same day. As bills passed for payment are made over to persons surrendering tokens, drawers should depute reliable messengers for receiving the bills.

3. The Comptroller authorises payment of bills, payable at district and taluk treasuries, which are for any reason pre-audited by him.

4. Pre-audit cheques are current only till the end of the month following that in which they are issued. If a pre-audit cheque is presented for payment after the expiry of the period of its currency, the Bank on which it is drawn will refuse to pay it and will require its being returned to the Account Office for renewal.

5. If so desired, the Officer in charge of the State Huzur Treasury will issue a cheque on the Bank of Mysore, Bangalore, or the Imperial Bank of India, Bangalore, for any bill submitted for pre-audit and payment at Bangalore, whether to a Government Officer, a private person or a firm.

6. The system of pre-audit does not apply to payment at the State Huzur Treasury, Bangalore, on account of Pensions, Remittance transfer receipts, Supply bills, Deposits—revenue, judicial and personal—Savings banks, Advances to Government officers, Income-tax and Stamp refunds and Cheques of departmental officers. These will be paid by the treasury on its own authority without being pre-audited. Bills for advance of pay on transfer, to Gazetted Officers at Bangalore are however subject to pre-audit.

Issue of Duplicates or Copies of Documents.

22. (a) No Government Officer may issue duplicates or copies of receipts granted for money received, or duplicates or copies of bills or other documents for the payment of money which has already been paid, on the allegation that the originals have been lost. If any necessity arises for such a document, a certificate may be given that on a specified day, a certain sum on a certain account, was received from or paid to a certain person. This prohibition extends only to the issue of duplicates on the allegation that the originals have been lost and does not apply to cases in which, by existing rules, duplicates are prepared and tendered with the originals. In the case of a bill passed for payment at a treasury but lost before being cashed, or in the case of a deposit repayment voucher lost before payment at a treasury, the officer who drew the original bill or voucher should ascertain from the treasury, that payment has not been made on the original before he issues a duplicate, which should bear distinctly on its face the word 'duplicate' written in red ink.

(b) When a pre-audit cheque issued by the Officer in charge of the State Huzur Treasury is lost before payment and a duplicate is required, a guarantee in the following form should be furnished by the person in whose favour the cheque was originally issued and an application made to the Officer in charge of the State Huzur Treasury for the issue of a duplicate cheque :—

" I do hereby guarantee to make good to Government the sum of Rs. being the amount of the cheque bearing No. and dated. due to. in case a double payment is made in consequence of the loss of the original cheque, a duplicate thereof being issued at my request."

The bank will see that the payment of the cheque originally issued is thereafter stopped.

Responsibility for Overcharges.

23. The responsibility of drawers and payers of bills is as follows :—

The privilege of drawing pay abstracts or bills for salary, allowances, or contingent expenses, will be restricted to responsible officers and the drawer of the bill will be held answerable for any overcharge. The responsibility of the countersigning officer will be that which attaches to all controlling officers, and which brings them under a liability to make good any loss arising from their culpable negligence. The Treasury Officer who makes payments without pre-audit will be responsible for checking any palpable errors and in the case of change of office or of rate of salary of gazetted officers, for passing the new rate with reference to the orders directing the change. In short, the responsibility for an overcharge will rest primarily with the drawer of the bill, and failing recovery from him, the overcharge will be recovered from the Treasury Officer or the countersigning officer, only in the event of culpable negligence in either of them.

NOTE 1.—The Treasury Officer is required under the above ruling to examine the accuracy of the arithmetical computations in a bill.

NOTE 2.—Besides Gazetted Officers, many classes of Non-gazetted Officers exercise the privilege of drawing bills. A list of such officers is given in Appendix II.

Check of Charges.

24. Every charge comes up for audit or disposal by the Comptroller, who, if the charge is irregular or is in excess, proceeds to remove the irregularity or recover the excess through the Treasury Officer, usually, however, issuing a warning slip to the officer concerned ; and if anything more is due (unless the amount be insignificant), informs the officer accordingly, leaving him to prefer the additional claim or not as he thinks proper.

Audit Objections and Recoveries.

25. Objections and orders which arise out of the examination, by the Comptroller, of the Treasury and Departmental Accounts are communicated to the Treasury Officer or the Departmental officer by letters, audit memoranda or periodical objection statements. To these the earliest attention should be given, and the Officer concerned should return individual objection slips or audit memoranda within a week and objection statements or audit memoranda containing several items within a fortnight of their receipt or send a letter explaining the cause of delay.

1. The fact that some of the objections are still under reference is no reason for keeping back the statement. Such cases can be extracted for subsequent explanation.

2. The names of officers who keep the objections for which they are responsible unremedied for more than three months will be reported to Government by the Comptroller (*G. O. No. 981-1026--G. F. 408-06-13, dated 1st September 1911.*)

3. It is the duty of every officer to see to the prompt adjustment of advances and items under objection outstanding against him in the books of the Audit Office. If owing to delay in dealing with the matter, any amounts become unadjustable, they will be recovered *pro rata* from all the officers during whose time they remained under objection. Cases in which adjustments of advances are unduly delayed will be reported to Government. (*G. O. No. Fl. 3302-51—G. F. 22-15-33, dated 5th January 1918.*)

26. When the Comptroller disallows a payment or an allowance as unauthorised, the Treasury Officer is bound not only to recover the amount disallowed without listening to any objection or protest, but to refuse to pay it in future till the Comptroller authorises the payment to be resumed; that no warning slip has been received by the officer retrenched, or that being received, it has been answered, are facts with which the Treasury Officer has no concern. The Comptroller is responsible for seeing that Treasury Officers carry out his instructions. His objection must prevail absolutely and immediately over every authority under the Government. (*G. O. No. Fl. 981-1026—G. F. 408-06-13, dated 1st September 1911.*)

1. If an officer, from whom a recovery is ordered, has meantime been transferred to another district, the Treasury Officer, should without delay, pass on the order of recovery to the other treasury.

2. A Treasury Officer must not, when a retrenchment is ordered, enter into any correspondence with either the Comptroller or the officer placed under retrenchment; it is his duty simply and promptly to carry out the orders he has received, and to leave the person aggrieved to his remedy in ordinary course.

3. Recoveries are not ordinarily made at a rate exceeding one-third of salary unless the officer affected has, in receiving or taking the excess, acted contrary to orders or without due justification.

4. A register should be maintained at the treasury and in every office for recording all retrenchments ordered by the Account Office. It should contain columns specifying the name and office of the person from whom the recovery is to be effected, the nature and amount of the over-payment, and the date and manner of adjustment.

5. The recovery of a sum retrenched from a salary or pay bill need only be made from the next salary or pay bill and of a sum retrenched from a travelling allowance bill from the next payment of travelling allowances; but retrenchments of travelling allowances must be recovered in cash or from salary or pay bill when the officer does not, within a month, present a travelling allowance claim from which they can be recovered.

Page 19, Article 29.

Insert the following as "Note 1" treating the existing note as Note 2:—

"*Note 1.*—The cross entry is not necessary if the amount in words is typed perforated by a special cheque-writing machine."

(M. C. A. C. Vol. I, 2nd Edition No. 13, dated 4-10-27)

Cheques.

27. Cheque books required by Disbursing Officers authorised to draw on treasuries, should be obtained by them from the Comptroller, on a requisition signed by the Disbursing Officer himself.

28. A separate cheque book should be used for each treasury (District or Taluk). and the drawing officer should notify to the treasury the number of the cheque book which from time to time he brings into use and the number of cheques it contains. Each cheque book must be kept under lock and key in the personal custody of the drawing officer, who, when relieved, should take a receipt for the correct number of cheques made over to the relieving officer.

29. All cheques should have written across them in words, at right angles to the type, a sum a little in excess of that for which, they are granted : thus " under thirty rupees " will mean that the cheque is for a sum not less than Rs. 20, but less than Rs. 30 ; and similarly " under eight hundred rupees " will mean that it is for less than Rs. 800, but not less than Rs. 700. No abbreviations such as " eleven hundred " for " one thousand one hundred " should be used. The amount should be written in the manner prescribed for vouchers in Article 18 (d). In drawing or cashing a cheque, it should be remembered that a common form of fraud consists in altering the word " one " into " four " by prefixing an *f* and changing the *e* into an *r*, the figure being easily altered to correspond. The word *twenty*, if written carelessly, has also sometimes been changed into *seventy*. The drawer of a cheque in which these words occur should therefore so write as to make the fraud impossible and the treasury should examine the words and corresponding figures with special care.

NOTE.—Article 18 (e) applies *Mutatis Mutandis* to corrections and alterations in cheques.

30. No advice of the issue of any cheque need be sent to the treasury. As a general rule, cheques should not be issued for a sum less than Rs. 10 unless this is permissible under the provisions of any law or rule. Cheques remain current for three months, counting from the date of issue in the absence of any other specific period.

31. When an Officer is authorised to draw cheques on Taluk Treasuries, he should give notice to the District Treasury Officer, from time to time, of the probable amount of his drawings on each taluk treasury in order that funds may be provided as far as possible. Cheques drawn on Taluk Treasuries should be distinguished by different numbers and letters from those drawn against the District Treasury.

32. (a) Every cheque in favour of a Government Officer must be made payable to order only ; but when the payee is not in Government employ, the drawer may, at his request, make the cheque payable to bearer. Treasury Officers will therefore cash cheques payable to "A.B. or bearer," except when A. B. is a Government servant. If a cheque payable to a person not in Government employ or payable to such a person "or order" is presented, the Treasury Officer may decline to pay it, if he is unable to satisfy himself of the identity of the payee, and of the completeness of the chain of endorsement by which the payee is the holder of the cheque.

(b) Ordinarily a cheque is not cashed by the Treasury Officer unless it is receipted by the payee himself or other person in whose favour it is regularly endorsed for payment. In special cases, when the head of an office is unable himself to receipt cheques payable to his order, owing to his being absent on tour or for other causes, and when he considers that strict compliance with the ordinary rule would cause inconvenience, he may specially authorise in writing a subordinate Gazetted Officer to endorse for him cheques drawn in his favour by his official designation.

(c) When a public officer sends a cheque to a treasury not for cash payment, but for credit of its amount in the treasury accounts, he must, before endorsing the same, add the words "Received payment by transfer credit to.....". Omission to do this facilitates fraudulent appropriation of money.

33. If a Disbursing Officer be informed that a cheque drawn by him has been lost, he may address the Treasury Officer drawn on, forwarding for signature a certificate in the accompanying form. If, after search through the lists of cheques paid, the Treasury Officer finds that the cheque has not been cashed, he will sign and return the certificate, taking care to note the stoppage of the cheque, a board showing the particulars of stopped cheques being hung up before the clerk concerned. If the original cheque be presented afterwards, the Treasury Officer will refuse payment and return the cheque to the person presenting it after writing across it "Payment stopped." The Disbursing Officer will enter in his account the original cheque as cancelled and may issue another.

Certified that cheque No. _____ dated _____ for
Rs. _____ reported by the (Disbursing Officer) to have been drawn
by him on this treasury in favour of _____ has not been paid,
and will not be paid if presented hereafter.

.....Treasury.

The.....19 .

Treasury Officer.

34. Cheques drawn on Government account on a Bank in which Government keeps money should be addressed to the Bank itself and not to any officer thereof, as for instance "Bank of Mysore, Bangalore".

Transactions with Banks.

35. No Government officer may open an account with a bank for the deposit of moneys received in his official capacity without the previous sanction of Government.

(a) Permission will be granted only in cases in which the moneys although received by a Government officer in his official capacity do not form part of general revenues.

(b) Permission will not be given in the following cases :—

(i) Where the moneys in question have been withdrawn from public accounts, or are received in order to be paid into the public account, either as revenue or as a deposit.

(ii) Where the moneys form part of a balance of account submitted for audit to the Audit Department or the receipts or out-goings represent transactions of which the officer is bound to render an account to the Audit Department.

(iii) Where the moneys must under any law or any order of Government or of a Court of Justice, be deposited with or held in trust by an officer in his official capacity.

(iv) Where the moneys have been advanced to an officer for contingent expenditure or for public works expenditure.

(c) In other cases permission may not be given except upon some definite ground of convenience to the public service. The personal convenience of the officer concerned does not constitute such a ground. (*Financial Secretary's No. 5261—G. F. 52, 24-10, dated 26th March 1925.*)

Specimen Signatures of Drawing Officers.

36. When an officer, whether gazetted or non-gazetted, who usually draws or countersigns bills payable at a treasury, makes over charge of his office to another, he should send a specimen of the relieving officer's signature to the Treasury Officer in order that the latter may satisfy himself as to the validity of the bills presented by him. Similarly, when a subordinate officer is permitted to sign the establishment and contingent bills for the head of an office, the latter should send to the treasury intimation of such fact as also the specimen of the signature of such subordinate officer who has been permitted to sign bills.

NOTE 1.—Only gazetted assistants may be delegated with the duty of signing bills.

NOTE 2.—The specimen signature of a countersigning officer is necessary only when the bills he countersigns are signed by a private person and not by a Government officer.

Defalcations.

37. Heads of Departments and Deputy Commissioners will report to Government on their occurrence or immediately on discovery, all cases of embezzlement or loss of public money or stores resulting from fraud or the negligence of individuals or other cause.

When the matter has been fully enquired into, a detailed report should be submitted stating the nature and extent of the loss, what the circumstances were which rendered the loss possible, how far it was due to defect of system of supervision, how it can be avoided, and who were the officers responsible for the negligence. Should any delay be apprehended in enquiring into the matter for the purpose of eliciting correct information, a preliminary report should invariably be forwarded at once.

These instructions are applicable to all departments and to all items of Revenue, State, Local and Municipal. (*G. O. No. 8487-527—Ml. 185-10-5, dated 17th April 1911.*)

38. (a) Whenever any defalcation or loss of public money, stamps or opium is discovered in a Government treasury or other office or department which is under the audit of the Comptroller, the fact should be immediately reported to him, even when the loss has been made good by the person responsible for it; and when the matter has been fully enquired into, a further and complete report should be submitted of the nature and extent of the loss showing the errors, or neglect of rules, by which such loss was rendered possible, and the prospects of effecting a recovery. A similar course should be followed in cases of defalcations and fraudulent loss of stores in departments which maintain stores accounts such as Police, Jail Manufactures, Printing and Stationery. The submission of such a report does not debar the head of the department concerned from taking any further action which may be deemed necessary.

(b) Defalcations, or losses of departmental revenue or receipts which have not been paid into a Government treasury, petty defalcations or misappropriations committed by village officers, or losses due to accidents or thefts in village officers' houses, or while money is in transit to the treasury, need not be reported to the Comptroller; but his opinion or advice may be obtained, if it is likely to be of use in preventing their occurrence in future.

Erasures.

39. Erasures and over-writings in any account, register, schedule or cash book are absolutely forbidden; if any correction be necessary, the incorrect entry should be cancelled neatly in red ink, and the correct entry inserted. Each such correction or any interpolation deemed necessary should be authenticated by the head of the office setting his dated initials against each. Special care should be taken by the Treasury Officer as regards all vouchers and accounts showing signs of alteration; and if such documents be frequently received from any office, the attention of the head of the office should be formally drawn to the irregularity.
